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MILK MARKET INFORMATION BULLETIN U. S. DEPT. OF AGRICULTURE
CHATTANOOGA, TENNESSEE, MARKETING AREA NATIONAL AGRICULTURAL LIBRARY
RECEIVED

Volume 17

MAY 1973

JUN 22 1973 Number 10

Released Pursuant to \$1000.3 and \$1090.85, USDA AMS
Federal Order No. 90, 112 Lee Parkway Drive, Chattanooga, Tennessee 37411
J. E. Bobo, Market Administrator

MARKET SUMMARY - MAY 1973

The Chattanooga Order MINIMUM uniform producer prices per cwt. at pool plants for milk testing 3.5% butterfat are: Base Milk - \$7.10 and Excess Milk - \$5.66. The producer butterfat differential is 7.2 cents for each one-tenth of one percent above or below 3.5% test. This is a Base and Excess price increase of 84 cents and 72 cents respectively above May 1972.

In May 1973, 62.1% of producer milk received by pool plants was priced in Class I at \$7.70 per cwt. and 37.9% was priced in Class II at \$5.66 per cwt. The May butterfat differential for Class I was 7.4 cents and Class II was 7.0 cents.

Total producer milk received during May 1973 was 39,626,510 pounds which is an increase of 316,894 pounds or 0.8% compared with May 1972. Deliveries of producer Base milk exceeded producer milk used in Class I by 10,757,030 pounds or percentage wise only 69.6% of Base milk was used in Class I. The May daily average deliveries from 726 producers was 1,761 pounds. This compares to 745 farms delivering a daily average of 1,702 pounds per day during May 1972.

USDA RECOMMENDS NEW MILK ORDER FOR LAKE MEAD AREA

The U. S. Department of Agriculture has recommended issuance of a new Federal milk marketing order regulating the handling of milk in the Lake Mead marketing area. The marketing area to be covered by the order includes Las Vegas, Nevada, the urban area around it (in Clark County), and the cities of St. George and Cedar City, Utah.

USDA's Agricultural Marketing Service said the recommended decision was based on evidence received at a public hearing in St. George, Utah, October 17-19, 1972. Issuance of the order was supported by three cooperative associations representing about 85 percent of the Grade A milk producers supplying the market.

Similar to other milk orders, the new Lake Mead order would set minimum prices to dairy farmers for milk sold to dealers operating in the designated marketing area.

Dealers would pay for milk according to three use categories. Class I would include milk, skim milk, and other fluid milk products; Class II would include cream and also milk used in cottage cheese, eggnog, and yogurt; and Class III would include milk used in ice cream and other manufactured dairy products.

To facilitate producer payments, all payments for milk by handlers would be paid to the market administrator. Producer payments would be made by the market administrator directly to cooperatives and individual producers.

Copies of the recommended decision may be obtained from the Dairy Division, Agricultural Marketing Service, U. S. Department of Agriculture, Washington, D. C. 20250.

June Dairy Month

COMPARISON OF MILK RECEIPTS AND UTILIZATION

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	<u>% May '73</u>			
	<u>Over</u>	<u>May</u>	<u>Apr.</u>	<u>May</u>
	<u>May '72</u>	<u>1973</u>	<u>1973</u>	<u>1972</u>
Number of Plants - Pool		6	6	7
- Non-Pool		12	12	14
<u>RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer Milk	+ .8	1,278,275	1,307,864	1,268,052
Other Source	-44.1	35,771	38,492	63,980
Other Federal Order	-61.7	53,786	66,443	140,450
TOTAL MILK RECEIPTS	- 7.1	1,367,832	1,412,799	1,472,482
<u>UTILIZATION POUNDS (DAILY AVERAGE)</u>				
<u>Class I Uses</u>				
Homo Milk	+ 6.6	465,548	458,088	436,634
Skin	+15.0	24,212	25,052	21,051
2% Milk	+21.9	165,071	164,136	135,429
Buttermilk	+ 4.8	60,237	59,452	57,456
Flavored Milk and Drink	+29.4	27,863	26,165	21,528
Creams (Sweet and Sour)	+10.8	4,214	3,906	3,804
Yogurt	+63.8	1,307	1,306	798
Pkg. Items Sub-Total (Pool Plants)	+10.6	718,452	738,105	676,700
Other (Shrinkage, Inventory, etc.)		2,436	1,288	2,982
Sales to Non-Pool Plants		55,069	48,369	26,195
In-Area Sales by Non-Pool Plants	+11.4	55,728	51,845	50,022
TOTAL CLASS I MILK	+14.0	861,685	839,607	755,899
<u>Class II Uses - Pool Plants</u>				
Ice Cream Mixes	- 6.8	61,536	58,204	66,023
Cottage Cheese	+20.1	59,209	63,028	49,291
Powdered and Condensed Milk		1,880	1,120	39,860
Livestock Feed and Milk Dumped	-19.8	8,227	8,857	10,262
Sub-Total - Used to Produce	-20.9	130,852	131,209	165,436
Shrinkage Class II		10,011	12,740	16,679
Other (Inventory Variation, Butter, etc.)		(9,883)	19,705	(24,570)
Bulk Sales to Non-Pool Plants	-32.9	375,167	409,538	559,038
TOTAL CLASS II MILK	-29.4	506,147	573,192	716,583
<u>CLASS I PACKAGED POUNDS</u>				
Distributed in Area - Pool Plants	+ 2.6	515,421	510,678	502,235
Distributed Out of Area - Pool Plants	+33.6	233,031	227,427	174,465
Distributed in Area - Non-Pool Plants	+11.4	55,728	51,845	50,022
% Producer Milk of Gross Class I		148.3	155.8	167.8
% Producer Milk Priced in Class I		62.1	58.7	52.3

TOTAL PACKAGE CLASS I POUNDS (DAILY AVERAGE) ON ROUTES IN THE
MARKETING AREA BY POOL PLANTS AND NON-POOL PLANTS

	<u>% May '73</u>			
	<u>Over</u>	<u>May</u>	<u>Apr.</u>	<u>May</u>
	<u>May '72</u>	<u>1973</u>	<u>1973</u>	<u>1972</u>
<u>PACKAGE ITEMS</u>				
Homo Milk	- 1.8	370,822	365,591	377,734
Skin	+18.5	17,242	17,669	14,550
2% Milk	+20.4	109,813	107,586	91,176
Buttermilk	0.0	47,142	46,682	47,141
Flavored Milk and Drink	+21.5	21,953	21,130	18,065
Fluid Creams and Yogurt	+16.3	4,177	3,865	3,591
Class I Package Pounds - In Area	+ 3.4	571,149	562,523	552,257

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